

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

APPEAL FROM THE EXAMINER TO THE
BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of: Amir M. Saffarian
Serial No.: 08/828,022
Filing Date: March 27, 1997
Group Art Unit: 2876
Examiner: Jamara A. Franklin
Title: AUTOMATED SYSTEM AND METHOD FOR
CHECK AMOUNT ENCODING AT A POINT-OF-
SALE

BOARD OF APPEALS AND INTERFERENCES
Honorable Assistant Commissioner
for Patents
Washington, D.C. 20231

Dear Sir:

APPEAL BRIEF

Appellant has appealed to this Board from the decision of the Examiner, contained in a final Office Action mailed February 8, 2002, finally rejecting Claims 19, 22, 25, and 26. Appellant mailed a Notice of Appeal on May 6, 2002. Appellant respectfully submits this Appeal Brief, in triplicate, along with the statutory fee of \$320.00 under 37 C.F.R. § 1.17(c).

REAL PARTY IN INTEREST

The present application was assigned to Electronic Data Systems Corporation, a Texas corporation, as indicated by an assignment from the inventor recorded on March 27, 1997 in the Assignment Records of the United States Patent and Trademark Office at Reel 8485, Frame 0052. There is of record a merger of Electronic Data Systems Corp., a Texas corporation into Electronic Data Systems Corp., a Delaware corporation recorded on January 26, 1999 in the Assignment Records of the United States Patent and Trademark Office at Reel 9710, Frame 0976.

RELATED APPEALS AND INTERFERENCES

There are no other appeals or interferences known to the Appellant, the undersigned Attorney for Appellant, or the Assignee that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

STATUS OF CLAIMS

Claims 19, 22, 25, and 26 were rejected in the final Office Action mailed February 8, 2002. Claims 19, 22, 25, and 26 are presented for appeal and set forth in the Appendix hereto.

STATUS OF AMENDMENTS

A Response to Examiner's Final Action was filed on April 8, 2002 in response to the Final Action mailed February 8, 2002. The amendments that were made to the claims were not entered because the Examiner concluded: "they are not deemed to place the Application in better form for appeal by materially reducing or simplifying the issues for appeal." (See Advisory Action mailed April 19, 2002, page 1: Item 2. [Paper #29]) In addition, the Examiner indicated in the Advisory Action dated April 19, 2002 that the Response to the Examiner's Final Action was considered but was not persuasive to overcome the rejection of the claims. The Examiner submitted that numerous references read upon the claim limitations. A Notice of Appeal was filed on May 6, 2002.

SUMMARY OF INVENTION

According to one embodiment of the present invention, a portable check encoding device (200) is provided that includes an input device (208) that receives a check amount from a user and a display (206) that is coupled to the input device (208) and that displays the check amount entered by the user. (Page 6, Line 33 to Page 7, Line 12; Page 7, Lines 27-34). The portable check encoding device (200) also includes a portable check printer that is coupled to the input device (208) and that receives the check amount from the input device (208) and encodes the check amount in magnetic ink at a predetermined location on a check (300). (Page 8, Lines 1-33).

In accordance with another embodiment, a pocket-sized personal check encoder (200) includes a keypad (208) having a plurality of alphanumeric keys operable to receive a check amount from a user. A display (206) is also included that is coupled to the keypad (208) and operable to display the check amount entered by the user. In addition, a check encoder (204) is included that is coupled to the keypad (208) and the display (206) and is operable to receive the check amount from the keypad (208) and encode the check amount in a machine-readable format at a predetermined location on a check (300). (Page 4, line 33 to Page 5, line 6). The check encoder (204) may be integrated with input device (208) and display (206) to form a unit that performs the functions of both. (Page 8, lines 24-28).

ISSUES

1. Did the Examiner err in concluding that Claims 19, 22, 25, and 26 are not patentable under 35 U.S.C. §103(a) due to obviousness in light of the proposed combination of U.S. Patent 4,623,965 issued to Wing ("*Wing*"), U.S. Patent 5,542,487 issued to Schultz, et al. ("*Schultz*"), and U.S. Patent 5,050,207 issued to Hitchcock ("*Hitchcock*")?

GROUPING OF CLAIMS

Pursuant to 37 C.F.R. § 1.192(c)(7), Claims 19, 22, 25, and 26 may be deemed to stand or fall together for purposes of this appeal. This grouping is consistent with the grounds of rejection that Appellant is appealing.

ARGUMENTS

Claims 19, 22, 25, and 26 stand rejected under 35 U.S.C. §103(a) as being unpatentable over *Wing* in view of *Schultz* and *Hitchcock*. As admitted by the Examiner in previous Office Actions, *Wing* and *Schultz* lack a teaching of an input that receives a payee name selected from a list of payee names by the user, a memory operable to store and recall the list of payee names, and a display operable to display the list of payee names. However, the Examiner asserts that *Hitchcock* teaches these features and that the combination of *Wing*, *Schultz*, and *Hitchcock* discloses each and every limitation of the claimed invention. This reasoning has formed the basis for the Examiner's rejection and is addressed by the arguments presented below.

According to M.P.E.P. §2143, to establish a prima facie case of obviousness, three criteria must be met. First, there must be some suggestion or motivation to combine the references. Second, there must be a reasonable expectation of success. Third, the prior art combination of references must teach or suggest all the claim limitations. The Examiner has failed to satisfy all of the criteria for a prima facie case of obviousness.

First, the Examiner has not shown a suggestion or motivation in the references or in the knowledge generally available to one of ordinary skill in the art to combine the cited references. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art suggests the desirability of the combination.¹ Thus, the mere fact that the teachings of one reference would improve the teachings of another reference as asserted by the Examiner does not provide the required suggestion to combine. Nothing in *Wing*, *Schultz*, *Hitchcock*, or any other cited reference suggests or motivates the proposed combination. Nor has the Examiner provided any evidence that suggests the proposed modification.² The Examiner merely speculates that "it would have been obvious" to make the proposed combination since "one of ordinary skill in the art would have readily recognized that storing the list of payees in a memory provides the user with a short-cut and time-saving method to print the payees name in the payee field of the check." The Examiner is merely interjecting a subjective conclusory statement in an

¹ See M.P.E.P. § 2143.01.

² If the Examiner is relying on "common knowledge" or "well known" art in support of his rationale for combining the references, the Examiner is requested to produce a reference in support of his position pursuant to M.P.E.P. § 2144.03. If the Examiner is relying on personal knowledge to supply the required motivation or suggestion to combine, Applicant respectfully requests that the Examiner produce an affidavit supporting such facts pursuant to M.P.E.P. § 2144.03.

improper hindsight attempt at rejecting the claims without citing any language from any of the cited references to support the rejection. The Examiner presents no objective evidence from the prior art that suggests or motivates the combination as is required by Federal Circuit case law.³ The M.P.E.P. also confirms that this approach is improper and, thus, it should not be used here.⁴

Addressing the references in order, the Wing patent is directed to an apparatus with its primary purpose being to maintain, print, and record deposits and withdrawals from a checking account. Other features of the apparatus include the capability to void checks and deposits that have previously been recorded and to make adjustments to a corresponding account. Thus, it is a primary purpose of the device of *Wing* to provide a portable handheld electronic checkbook in order to print out a check to satisfy a transaction. *Schultz* discloses that its primary purpose is to provide a check printer only (as a separate component) to be linked to a portable data collection terminal through a wire or radio frequency (RF) protocol. The device disclosed in *Hitchcock* is a portable automated teller machine that cannot produce a check or provide any printing capability. Instead, *Hitchcock* provides a system for electronically debiting an account and thus teaches away from having to produce a check to debit an account. Therefore because of the disparate teachings of the references, there is no suggestion to combine the features of the electronic checkbook of *Wing* and the printer of *Schultz* with the automated teller machine of *Hitchcock* to yield the portable check encoding device recited in the present claims.

Additionally, the Examiner has not cited any language within *Wing*, *Schultz*, or *Hitchcock* that would suggest any capability for these references to be combined. In fact, no reason was provided by the Examiner for combining the references as has been proposed. The Examiner has merely provided subjective conclusory "it would have been obvious to combine" statements, using improper hindsight reconstruction without any support for such conclusory statements from any of the cited patents. A statement that modifications of the

³ In *In re Dembiczak*, the Federal Circuit reversed a finding of obviousness by the Board of Patent Appeals and Interferences, explaining that evidence of a suggestion, teaching, or motivation to combine is essential to avoid impermissible hindsight reconstruction of an applicant's invention. *In re Dembiczak*, 175 F.3d 994, 999 (Fed. Cir. 1999). Conclusory statements by the Examiner regarding the teaching of multiple references, standing alone, are not "evidence." *Id*

⁴ See M.P.E.P. § 2145 X.C. ("The Federal Circuit has produced a number of decisions overturning obviousness rejections due to lack of suggestion in the prior art of the desirability of combining references."), See also *In re Jones*, 958 F.2d 347 ("Conspicuously missing from this record is any evidence, other than the PTO's speculation

prior art to meet the claimed invention would have been well within the ordinary skill of the art at the time the claimed invention was made because the references relied upon teach that all aspects of the claimed invention were individually known in the art is not sufficient to establish a prima facie case of obviousness without some objective reason to combine the teachings of the references.⁵ Since the Examiner has not provided any reasoning, let alone objective reasoning, the burden to establish the first criteria of a prima facie case of obviousness has not been met.

Moreover, the proposed modification provided by the Examiner is improper because it changes the principle of operation of the prior art being modified. If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious.⁶ The court in *Ratti* (identified in Footnote #6 provided below) held that the §103 rejection at issue was improper because the "suggested combination of references would require a substantial reconstruction and redesign of the elements shown in [the primary reference] as well as a change in the basic principle under which the [primary reference] construction was designed to operate."⁷ Applying this reasoning to the issue at bar, *Hitchcock* specifically offers a portable automated teller machine that is incapable of producing a check, much less a check with the check amount printed in magnetic ink at a predetermined location on the check. Additionally, there is no ability for *Wing* to connect to a printer such as shown in *Schultz*. In addition, the only checkbook disclosed by *Hitchcock* is a physical checkbook that may be fixed to the unit to provide manual check writing capability. Thus, the principle of operation of the Hitchcock patent would be improperly changed by incorporating the input device and portable check printing elements of the Wing and Schultz patents. The Examiner has yet to explain how the Hitchcock patent can be combined with the Wing and Schultz patents in view of such contrasting functionalities.

Furthermore, if the Examiner modified the combined teachings of *Wing*, *Schultz*, or *Hitchcock* to teach the limitations of the pending claims, Appellant would also respond that

(if that can be called evidence) that one of ordinary skill in the herbicidal art would have been motivated to make the modification of the prior art salts necessary to arrive at [the claimed invention]."

⁵ See M.P.E.P. 2143.01.

⁶ *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959). (See also M.P.E.P. 2143.01).

⁷ 270 F.2d at 813, 123 USPQ at 352.

there is no indication in any of the references as to the desirability of making such modifications. The cited references must disclose the desirability of making the proposed modification.⁸ The fact that the modification is possible or even advantageous is not enough.⁹ A prior art reference must be considered in its entirety, i.e., as a whole, including portions that would lead away from the claimed invention.¹⁰ As pointed out above, *Hitchcock* discloses a portable teller machine incapable of even producing a check. If the feature of check printing were somehow incorrectly infused into the system of *Hitchcock*, the resulting device would ostensibly lose its intended functionality of offering a unit that may debit a bank account remotely and, therefore, such an interpolation stemming from *Hitchcock* would be improper.

Second, a reasonable expectation of success for the proposed combinations has not been shown by the Examiner. The combinations of *Wing*, *Schultz*, and *Hitchcock* would not be capable of performing the operation required by the claimed invention. There is no showing by the Examiner that the check printing feature of *Wing* and the payee list of *Hitchcock* would be able to operate in a portable check-producing environment. Moreover, there has also been no showing that the combined references would be able to generate checks that include magnetic ink printed thereon that reflects the amount of the check and the payee as selected from a payee list. The proposed combination attempts to combine divergent fiscal processing techniques that have not been shown to be capable of operating according to any degree of predictability. The Examiner, without resorting to improper hindsight to look through the claimed invention, has not addressed the chance that the proposed combination of the *Wing*, *Schultz*, and *Hitchcock* patents would have any success whatsoever let alone a reasonable expectation of success. Therefore, Applicant respectfully submits that the Examiner has failed to establish the second criteria for a prima facie case of obviousness.

Third, the Examiner has not shown how the proposed combination teaches each and every limitation of the claimed invention. The claimed invention provides for a device that includes an input device, a memory, a display, and a printer. By contrast, the proposed combination (at best) requires three separate devices – the input device of *Wing*, the printer of

⁸ *In re Mills*, 916 F.2d 680, 682 (Fed. Cir. 1990).

⁹ See *In re Gordon*, 733 F.2d 900 (Fed. Cir. 1984).

¹⁰ *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984). (See also M.P.E.P. §2141.02).

Schultz, and the payee storage of *Hitchcock*. Thus, the proposed combination does not provide a device that performs all functions required by the claimed invention. Therefore, the Examiner has failed to establish the third criteria of a prima facie case of obviousness.

With no other supporting reference that are combinable with the *Wing*, *Schultz*, and *Hitchcock* patents, all of the claim limitations have not been taught or suggested by the Examiner's currently proposed combination. The Examiner has not cited any language within the *Wing*, *Schultz*, or *Hitchcock* patents, either alone or in combination, that would suggest the desirability of making the claimed invention or providing any motivation to do so. As identified supra, subjective conclusions of obviousness are not sufficient to establish a prima facie case of obviousness without some objective reason to modify and to combine the prior art references. Therefore, Applicant respectfully submits that Claims 19, 22, 25, and 26 are patentably distinct from the proposed *Wing-Schultz* and *Wing-Hitchcock* combinations. For at least the reasons given above, Applicant respectfully requests the Board of Patent Appeals and Interferences to consider and allow Claim 19 together with Claims 22, 25, and 26, which depend from Claim 19.

CONCLUSION

Applicant has demonstrated that the present invention as claimed is clearly distinguishable over all the art cited of record, either alone or in combination. Therefore, Applicant respectfully requests the Board of Patent Appeals and Interferences to reverse the final rejection of the Examiner and instruct the Examiner to issue a notice of allowance of all claims.

The Commissioner is hereby authorized to charge the \$320.00 fee for this Appeal Brief and any fee connected with this communication to Deposit Account No. 05-0765 of Electronic Data Systems Corporation. The Commissioner is also hereby authorized to charge any additional fees or credit any overpayments to Deposit Account No. 05-0765 of Electronic Data Systems Corporation.

Respectfully submitted,
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July 3rd, 2002

APPENDIX — CLAIMS PRESENTED ON APPEAL

19. A portable check encoding device, comprising:
an input device operable to receive a check amount from a user and further operable to receive a payee name selected from a list of payee names by the user;
a memory operable to store and recall the list of payee names;
a display operable to display the check amount entered by the user and the list of payee names; and
a portable check printer operable to:
receive the check amount from the input device and encode the check amount in magnetic ink at a predetermined location on a check; and
receive the selected payee name and print the selected payee name in a payee field on the check.
22. The portable check encoding device, as set forth in claim 19, wherein the check printer is operable to encode the check amount on a MICR line of the check.
25. The portable check encoding device, as set forth in claim 19, wherein the check printer is further operable to print the check amount alphabetically in an alphabetical amount field and numerically in a numerical amount field on the check.
26. The portable check encoding device, as set forth in claim 19, wherein the check received by the check printer is a blank check, the blank check including an account number but not a payee name or check amount.